

Army Regulation 12-12
AFR 67-7
SECNAVINST 4355.17A
DLAR 4140.60

**Processing
Discrepancy
Reports Against
Foreign Military
Sales Shipments
(Supplementation
is Permitted at all
Levels.)**

Headquarters
Departments of the Army,
the Air Force, the Navy, and
the Defense Logistics Agency
Washington, DC
17 December 1991

Unclassified

SUMMARY of CHANGE

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By Order of the Director, Defense Logistics Agency, and the Secretaries of the Army, the Navy, and the Air Force:	GORDON R. SULLIVAN <i>General, United States Army Chief of Staff</i>	MERRILL A. McPEAK <i>General, United States Air Force Chief of Staff</i>
GARY C. TUCKER Colonel, USA Staff Director, Administration	Official: MILTON H. HAMILTON <i>Administrative Assistant to the Secretary of the Army</i>	Official: EDWARD A. PARDINI <i>Colonel, United States Air Force Director of Information Management</i>
	W. J. WILLOUGHBY, JR Director Product Integrity Office of the Assistant Secretary of the Navy (Research, Development and Acquisition)	

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Contents (Listed by paragraph and page number)
Purpose and Scope • I, page 1
Policy • II, page 1
Significant Changes • III, page 1
Definitions • IV, page 1
Responsibilities • V, page 2
Procedures • VI, page 3

RESERVED

I. Purpose and Scope

a. This regulation establishes the policy and procedures prescribing the methods and conditions under which discrepancies in Foreign Military Sales (FMS) shipments are processed. It provides for the basic documents required to support adjustment of property and financial inventory accounting records, notification to shippers of the type of discrepancies, required corrective actions, disposition instructions, and information for management evaluations.

b. This regulation is applicable to HQ DLA and the DLA primary level field activities, other DoD agencies, and the Army, Navy, Air Force, Marine Corps, and General Services administration (GSA) shipping and receiving FMS materiel through the military or GSA supply and distribution systems. Excluded are:

(1) Reporting of transportation-type discrepancies for FMS shipments processed through the Defense Transportation System (DTS) which will be processed under AR 55-38/NAVSUPINST 4610.33C/AFR 75-18/MCO P4610.19D/DLAR 4500.15, Reporting of Transportation Discrepancies in Shipments.

(2) Reporting of discrepancies in Grant Aid shipments will be processed under DLAR 4140.55/AR 735-11-2/SECNAVINST 4355.18/AFR 400-54/MCO 4430.3J, Reporting of Item and Packaging Discrepancies.

II. Policy

a. Standard Form (SF) 364, Report of Discrepancies (ROD), is established as the form on which FMS purchasers will report discrepancies in FMS shipments to the International Logistics Control Office (ILCO).

b. Discrepancy report preparation and submission time by the FMS purchaser will be limited to the time-frames cited in the DD Form 1513, United States Department of Defense Offer and Acceptance, and amendments thereto, as explained in DoD 5105.38-M, Security Assistant Management Manual (SAMM), chapter 8, section III, paragraph C4b.

c. Time limits for reporting of deficiencies relating to contractor warranties are prescribed in individual warranty clauses and/or contracts. These time limits override time limits specified in subparagraph B.

d. Discrepancy reports will not be accepted for processing by the Military Departments which are below the dollar limitation contained in the DD Form 1513 controlling the case, or any other sales agreement with an FMS purchaser, unless a valid justification for the submission is also provided.

e. Conditions for allowing automatic adjustments by the Military Department ILCO are specified in DoD 4000.25-7-M, Military Standard Billing System (MILSBILLS). This is in consideration of the fact that the cost of researching and documenting such discrepancies may exceed the value of the reported discrepancy. This authority will be used judiciously and responsible activities will establish controls to prevent its abuse. But, if the situation warrants, complete research, regardless of the dollar value of the ROD, may be requested by the ILCO to obtain evidence of shipment. The DoD Inventory Control Point (ICP)/Inventory Manager (IM), GSA, or shipping activity, as appropriate, will perform the research and provide the specific information needed.

f. The DoD ICP/IM and GSA will process all reports received under this regulation.

g. The ILCO will record and control all discrepancy reports to completion.

h. The supplier will retain shipping documentation for a period of 2 years following the shipping date. Billing documentation will be retained by the Military Department and DoD agencies as specified in MILSBILLS and DoD 7290.3-M, Foreign Military Sales Financial Management Manual.

i. Unless foreign purchaser requisitions contain an appropriate advice code, in accordance with DoD 4000.25-1-M, Military Standards Requisitioning and Issue Procedures (MILSTRIP), appendix B-15, limiting the request to a specific item, the Military Departments, DoD agencies, and GSA will follow the MILSTRIP policy of automatic shipment of an interchangeable item. Similarly, quantities

may be adjusted to the unit pack quantity, when appropriate, unless restricted by the MILSTRIP advice code in the customer requisition.

j. Title to equipment and materiel will pass at the initial point of shipment, unless otherwise specified in the letter of Offer and Acceptance, as specified in DoD 5105.38-M. Thus, transportation-type discrepancies which occur outside the DTS are not reportable to the U.S. Government. The exception to this is when there is a total non-receipt; then, it is the responsibility of the U.S. Government to provide evidence of shipment (see paragraph IVE).

k. Billing adjustments will be processed as prescribed by MILSBILLS.

l. Transmittal letters or endorsements in lieu of completion of the reverse of SF 364 are neither required nor authorized. The design of the SF 364 is, in itself, sufficient to report discrepant conditions and direct disposition instructions.

m. Strictly financial discrepancies will be submitted by message or letter outside the provisions of this regulation.

III. Significant Changes

This publication has been revised to establish standard time-frames and procedures for processing unresolved and contested discrepancy reports. It also provides other administrative changes.

IV. Definitions.

For the purpose of this regulation, the following definitions apply:

a. *Action Activity.* Any activity required to take action as a result of an ROD, e.g., ILCO, ICP/IM.

b. *Billing Discrepancy.* A discrepancy related to duplicate or multiple billing, and/or involving erroneous prices and values. Within U.S. Government channels, all billing discrepancies will be processed under MILSBILLS.

c. *Damage.* (Applicable to small parcel shipments only.) Injury to (partial or total) or the marring of the appearance or soundness of the structure of property or materiel.

d. *Duplicate Shipment.* A shipment which corresponds exactly to a previous shipment.

e. *Evidence of Shipment.* Any movement document or receipt, duly signed by a carrier representative, which shows that the United States has shipped or released the materiel in question to a carrier for shipment to the country's designated representative, constitutes evidence of shipment. Such documents generally show the quantity, national stock number, mode, date, transportation control number, notice of availability number/bill of lading/parcel post insured or registered number, addressee, vessel, or flight number (to the extent possible), name of shipper and carrier, etc.

f. *Financial Discrepancy.* A discrepancy related to administrative and/or accessorials charges; will be processed by the Security Assistance Accounting Center (SAAC).

g. *Incorrect Item.* An item received in lieu of the item requisitioned. This is an erroneous item shipped due to shipper error and not an intended interchangeable/substitute item.

h. *Interchangeable Item.* Interchangeability is a condition which exists when two or more items possess such functional and physical characteristics as to be equivalent in performance and durability, and are capable of being exchanged one for the other without alteration of the items themselves or of adjoining items except for adjustment, and without selection for fit and performance. It includes capability of two or more items or components of equipment to replace each other in a physical or functional environment with negligible modifications or loss of efficiency.

i. *International Logistics Control Office.* The organization in the Military Departments which administer the FMS programs. The ILCOs for the Army, Navy, and Air Force, respectively, are the U.S. Army Security Affairs Command, New Cumberland, PA; the Navy International Logistics Control Office, Philadelphia, PA; and the Air Force Logistics Command International Logistics Office, Wright-Patterson AFB, OH.

j. *Latent Defects.* A flaw or other imperfection in an article or item which is discovered after delivery to the customer. Such defects are inherent weaknesses which are normally not detected by

examination or routine test, but which are present at time of manufacture. Latent defects apply only to the operability of an item.

k. Misdirected Materiel. Materiel is shipped to the wrong destination.

l. Overage

(1) Item overage is when the quantity received is greater than that ordered or shown on shipping document. This type of overage is not evident on delivery but is discovered when the article of freight, as described on the transportation document, is opened and the contents are checked. This is considered a shipping-type (item) discrepancy and is reportable under the procedures contained herein.

(2) Transportation-type overages reportable under AR 55-38/NAVSUPINST 4610.33C/AFR 75-18/MCO P4610.19D/DLAR 4500.15, are:

(a) Overages of boxes, packages, or loose articles of freight in a Commercial/Government-Owned/Leased Shipping Container (SEAVAN), Military Van (MILVAN), Military Sealift Command Van (MSCVAN), Roll On/Roll Off (RORO) trailer, or a Container Express (CONEX).

(b) Overage of freight (package or loose), upon delivery by a carrier, found to be in excess of the quantity of articles recorded on the bill of lading and transportation document covering the shipment.

m. Product Quality Deficiency. A defect or non-conforming condition which limits or prohibits the product from fulfilling its intended purpose. Included are discrepancies in design, specifications, materiel, manufacturing, and workmanship.

n. Proof of Delivery. A term constructed to mean "constructive delivery" (tender of the materiel to a designated carrier at point of origin). In the case of non-receipt, the DoD ICP/IM and GSA are required only to provide evidence of shipment. Proof of delivery to a country destination can only be provided when movement was effected within the DTS or other transportation provided under U.S. Government auspices (these non-receipts are considered transportation related reportable under AR 55-38/NAVSUPINST 4610.33C/AFR 75-18/MCO P4610.19D/DLAR 4500.15).

o. Shelf Life Item. An item possessing deteriorative or unstable characteristics to the degree that a storage time period must be assigned to assure that it will perform satisfactorily in service.

p. Shipping-Type (Item) Discrepancy. Any variation in quantity or condition (DoD shipments only) of goods received from that shown on the covering authorized shipping documents (e.g., GSA or DD Form 1348-1, Single Line Item Release/Receipt Document; DD Form 1348-1A, Issue Release/Receipt Document (IRRD); purchase order or other authorized shipping document) including lost/damaged parcel post shipments or other discrepancies as enumerated in paragraph VIB and is not the result of a transportation-type error.

q. Shortage

(1) Item shortage is when the quantity received is less than the quantity shown on the shipping document. Shortage is not evident on delivery but is discovered when the article of freight, as described on the transportation document, is opened and the contents are checked. This is considered a shipping-type (item) discrepancy and is reportable under the procedures contained herein.

(2) Transportation-type discrepancies reportable under AR 55-38/NAVSUPINST 4610.33C 4610.33C/AFR 75-18/MCO P4610.19D/DLAR 4500.15, are:

(a) Shortages of boxes, packages, or loose articles of freight in a SEAVAN, MILVAN, MSCVAN, RORO trailer, or a CONEX.

(b) Shortages in quantity of packages or loose freight as recorded on the applicable bill of lading and/or freight bill.

r. Substitute Item. An item authorized for issue instead of a standard item of like nature and quality.

s. Transportation-Type Discrepancy. Any variation in quantity or condition of materiel received from that shown in the piece count by type of transportation pack on the bill of lading or governing transportation document, or if materiel is delivered without documentation and other deficiencies or discrepancies in transportation when

discrepant materiel is not involved. For example, improper or inadequate carrier handling, service, or equipment is involved, or significant or repetitive discrepancies by the same shippers are noted in connection with the preparation and/or distribution of bills of lading. Responsibility can be the fault of the carrier or the shipper.

Note. For FMS, transportation-type discrepancies are reportable only when movement was effected within the DTS or when other transportation was provided under U.S. Government auspices. These discrepancies are reported under AR 55-38/NAVSUPINST 4610.33C 4610.33C/AFR 75-18/MCO P4610.19D/DLAR 4500.15.

V. Responsibilities

a. The Director, Defense Logistics Standard System Division (DLSSD), ATTN: DLSSD-D, 6301 Little River Turnpike, Suite 220, Alexandria, VA 22312-3508 will:

(1) Serve as the DoD central point of contact.

(2) Sponsor publication of this regulation, for the centralized receipt of proposals, and for the development, maintenance, and processing of changes to the regulation in coordination with the participating Military Services, DoD agencies, and GSA (hereinafter referred to as Military Services/agencies).

b. The Executive Director, Supply Operations, HQ DLA (DLA-O) will be responsible for internal implementation of this regulation.

c. The Heads of DLA Primary Level Field Activities will:

(1) Implement this regulation.

(2) Submit recommendations for changes or additions to this regulation to the Chief, Supply Management Division, Supply Operations (DLA-OSL).

d. Heads of Participating Military Services/agencies will designate a single office of primary responsibility for this regulation to serve as focal point and identify by name to DLSSD, ATTN: DLSSD-D, a primary and alternate focal point representative to:

(1) Provide technical assistance to their field activities on matters pertinent to this regulation. This includes acting as review authority for their respective Service/agency on unresolved or contested ROD reports.

(2) Coordinate inquiries from those field activities with principal Military Services/agency staff elements and, as required, with other Service/agency counterparts.

(3) Evaluate all suggested changes and additions to this regulation originating within their respective Military Service/agency. Beneficial suggestions will be evaluated initially by technical focal point. If suggestions are received by DLSSD directly for evaluation, they will be forwarded to the appropriate Military Service/agency focal point for review and evaluation. If the suggestion is considered worthy of adoption, the focal point will submit an official change proposal to DLSSD, ATTN: DLSSD-D, stipulating specific narrative changes to the regulation. Such proposed changes will be coordinated in the normal manner with awards determined by the focal points under existing procedures.

(4) Develop and submit official change proposals to DLSSD, ATTN: DLSSD-D, with justification and expected benefits.

(5) Develop and submit to DLSSD, ATTN: DLSSD-D, a single, coordinated Service/agency position on all system change proposals within the time limits specified (normally 60 days).

(6) Implement the procedures contained herein by ensuring that all operating activities within their respective Service/agency comply with this regulation. One copy of any intra-Service/agency implementing instructions, i.e., orders, directives, supplements, or regulations, will be forwarded when published/revise to DLSSD, ATTN: DLSSD-D.

e. Recommendations for revision and/or corrections to this regulation will be addressed through established Military Service/agency channels to DLSSD, ATTN: DLSSD-D. The Military Service/agency focal points for this regulation are:

DOD ROD Administrator Director

Defense Logistics Standard Systems Division

ATTN: DLSSD-D

6301 Little River Turnpike, Suite 220

Alexandria, VA 22312-3508

Army Commander
U.S. Army Security Affairs Command
ATTN: AMSAC-MP/R
5001 Eisenhower Avenue
Alexandria, VA 22333-0001

Navy Office of Assistant Secretary of the Navy
Shipbuilding and Logistics
ATTN: RM&Q
Washington, DC 20360-5000

Air Force Headquarters, USAF
Chief, Policy and Management Division
Director of International Programs
ATTN: PRIM
Washington, DC 20330-5244

Marine Corps Commanding General
Security Assistance Liaison Office
ATTN: Code 819
Marine Corps Logistics Base
Albany, GA 31704-5000

General Services Administration General Services Administration
Discrepancy Reports Center
ATTN: DRC-6FR
1500 East Bannister Road
Kansas City, M&O 64131-3088

Defense Logistics Agency Director
Defense Logistics Agency
ATTN: DLA-OSL
Cameron Station
Alexandria, VA 22304-6100

VI. Procedures

a. General

(1) The ILCO will receive all SFs 364 (original and six copies) from FMS customers. The ILCS will take what action is necessary with the DoD ICP/IM or GSA. All responses to discrepancy reports will be returned to the ILCO. Financial RODs related to administrative and accessorial charges received by the ILCO, DoD ICP/IM, or GSA directly from the FMS purchaser will be forwarded to the SAAC for initial processing. Responses to these discrepancy reports will be returned to the ILCO.

(2) Action activities will process all discrepancy reports under the policies and procedures set forth in this regulation and Military Service/agency implementing regulations.

(3) Action activities will ensure the reverse of the original SF 364 is fully completed and the original signature of the individual responsible for preparation of the reply.

(4) Whenever materiel is directed for return to U.S. custody, the purchasing country will be instructed to reship the materiel using the same document number under which the materiel was originally shipped, if known. The country will be advised that they are limited to 180 days from date of approval/instructions to have materiel back in custody of the U.S. Government. In those instances when materiel is to be returned to the United States at Government expense, every effort will be made to utilize the DTS for the return movement.

(5) The ILCO will:

(a) Reject discrepancy reports not received within the time limits specified in paragraph IIB, unless it is determined that unusual and compelling circumstances involving latent defects justify consideration of the claim (see paragraph IVJ and VIB4).

(b) Reject discrepancy reports which do not contain needed data, unless such data is readily available at the ILCO.

(c) Reject discrepancy reports which are below the dollar limitation contained on the DD Form 1513, or any other sales agreement with the FMS purchaser for which there is no valid justification for the submission.

(d) Reject duplicate discrepancy reports, except those which are resubmitted to contest a previous decision.

(e) Review all requests for reconsideration and complaints which contest the decision on such requests. Reject those requests and complaints which lack sufficient justification or which were not received within the time standards specified in subparagraph F4f, below.

(f) Review all discrepancy reports received for processing and determine proper course of action based on available FMS case history data.

(g) Process to the FMS purchaser initial acknowledgment of receipt of ROD replies and/or denials.

(h) Report the disposition of RODs applicable to materiel and services to the SAAC as required in the DoD 7290.3-M, chapter 8, section 802.

(6) The DoD ICP/IM and GSA will:

(a) Review all discrepancy reports received for processing and determine proper course of action based on available supply records and the results of investigation.

(b) Furnish properly completed discrepancy reports to the ILCO for further processing to the FMS purchaser.

(c) Provide adjustment/credity in accordance with MISBILLS.

(d) Provide disposition instructions as required under the guidelines set forth in subparagraph F2, below.

(e) Provide to the ILCO signed evidence of shipment when non-receipt of materiel is involved.

(7) When an automated ROD response is used by the action activity, the response must contain, as a minimum, the requisition document number, the report number, signature (not as point of contact), and pertinent information from the data blocks on the reverse side of the SF 364.

b. *Discrepancies.* The following types of discrepancies are reportable under the procedures contained herein, provided they meet the dollar value limitations contained on the DD Form 1513, or any other sales agreement with the FMS purchaser.

(1) Shortages or total non-receipt of materiel (see paragraph IVE and IVQ1).

(2) Overages (shipping-type (item) discrepancies) or duplicate shipments (see paragraph IVD and IVL1).

(3) Damaged parcel post shipments (see paragraph IVC).

(4) Product quality deficient items (see paragraph IVJ and IVM). The FMS purchaser must provide evidence that a receipt inspection was performed and the defect could not be detected at that time and that the defect is present for reasons other than deterioration or damage incurred during storage or handling.

(5) Expired shelf life items (see paragraph IVO).

(6) Misdirected Materiel. Discrepancies of this type may be handled by letter, message, or SF 364 (see paragraph IVK).

(7) Billing discrepancies (see paragraph IVB). Billing errors will be reported by the FMS purchaser via SF 364 citing discrepancy code Z1.

(8) Incorrect Item (see paragraph IVG). Action activities will determine if the item reported is the item requisitioned and/or an authorized interchangeable or substitute (I/S) item (see paragraph IVH and IVR).

(a) If item is correct and/or an authorized I/S item, the ILCO will contact the FMS purchaser to determine if the item is acceptable. If acceptable, no further action is required. If not acceptable to the FMS purchaser, the purchaser will submit a customer report of excess under appropriate procedures to the DoD ICP/IM or GSA. The DoD ICP/IM or GSA will respond accordingly, providing the necessary disposition instructions (see subparagraph F2, below). All transportation charges will be borne by the FMS purchaser in this situation (see paragraph IJ).

(b) If the item is incorrect, or is not an authorized I/S item, the SF 364 will be forwarded to the DoD ICP/IM or GSA for further processing.

c. Materiel Returns. An SF 364 will be prepared and submitted to the applicable ILCO by the U.S. Government receiving activity for discrepancies (see subparagraph B, above) that exist in materiel return shipments (excess and re-distributable materiel) from an FMS purchaser when the dollar value is equal to or greater than \$100 in value per line item (see DLAR 4140.55/AR 735-11-2/SECNAVINST 4355.18/AFR 400-54/MCO 4430.3K).

d. Time Standards

(1) *Submission of SF 364*

(a) *FMS Purchasers.* To be received by the ILCO within the time limits specified in paragraph IIB. (Time standards covering requests for reconsideration and complaints contesting decisions on requests for reconsideration are contained in subparagraph F4, below.)

(b) *ILCO.* Within 15 calendar days from date of receipt of the report from the FMS purchaser.

(2) *Reply to SF 364.*

(a) *DoD ICP/IM or GSA.* Within 75 calendar days from date of receipt of the report from the ILCO. Where a final reply cannot be provided within the established time-frame, an interim reply will be furnished within the allowed 75 days. The failure to meet the established time-frame must be caused by reasons outside the control of the DoD ICP/IM or GSA. Interim replies must cite the reason(s) for delay and provide a projected completion date.

(b) *ILCO.* Within 15 calendar days from date of receipt of the report from the DoD ICP/IM or GSA, advise FMS purchasers of actions to be taken.

e. Distribution

(1) The ILCO will make distribution under DLAR 4140.55/AR 735-11-2/SECNAVINST 4355.18/AFR 400-54/MCO 4430.3K, paragraph VIC1.

(2) The DoD ICP/IM or GSA will forward one original and one copy to the ILCO properly completed on the reverse side of SF 364, as required by subparagraph A3, above, and instructions contained in enclosure 1.

f. Related Actions

(1) *SF 364 as a Supporting Document.* The SF 364 will be used as a supporting document for inventory accounting and financial adjustments. A copy of the completed report will be used to support formal adjustment of the SAAC's, ILCO's, DoD ICP's/IM's and GSA's accountable activity inventory and financial accounting records, as appropriate.

(2) *Disposition of Materiel*

(a) The reverse of SF 364 (or automated reply) will be used in addition to informative data, as an action reply for discrepant conditions. For RODs requiring disposition instructions, action activities will provide transportation account chargeable (see subparagraph B8a, above), to return the item to the appropriate U.S. Government activity if necessary, provide instructions for repair of the items, and indicate whether or not credit will be granted. Action activities will furnish DD Form 1348-1/1348-1A for materiel to be returned.

(b) FMS materiel not returned to the stocks of DoD or GSA, or retained or disposed of by the foreign government at the direction of the applicable ILCO, will be turned in to the nearest U.S. accountable military activity (regardless of Military Service responsible for the materiel). This regulation will be authority of a turn-in. The local U.S. military activity will take materiel up in stock as a gain by inventory and determine if materiel is required or is in excess to requirements. If materiel is required, it will be retained. If excess to requirements of the local military activity, materiel will be reported under current regulations.

(3) *Management Evaluation.* Sf 364 is so designed that the data thereon may be used to evaluate and improve supply operations and reporting performance. Military Services/agencies will require their respective action activities to record, summarize, and report to a single point within the Service or agency sufficient data to enable attention to be directed towards conditions and organizations that are involved in reported discrepancies. As a minimum, the reporting will identify the volume and dollar value of the RODs by shipping activity (depot/contractor/manufacturer or vendor), ship-to activity,

and discrepancy type. Data reported will be analyzed by the individual Service/agency and responsibility assigned to specific activities to selectively research discrepancies for the purpose of identifying and correcting the cause of the error(s). Procedures to implement the use of the SF 364 for this purpose should be cleared under the provisions of the reporting control regulation of the applicable Military Service or agency.

(4) *Unresolved Reports*

(a) *Requests for Reconsideration.* The FMS purchaser may ask the U.S. Government to reconsider the final status for a reported supply discrepancy. Purchasers must send such requests, by message or letter, to reach the ILCO within 90 calendar days from the SF 364 reply date. When the purchaser asks for reconsideration, the ILCO will administration a suffix code "R" to the report number (item 2, SF 364) contained on the ROD in question. The ILCO will administration its comments and send the ROD, together with all applicable correspondence/information, to the DoD ICP/IM or GSA for reconsideration of the final status. The DoD ICP/IM or GSA will review all correspondence/information relating to the ROD to see if the request should be honored, initiate any required action, and reply to the ILCO within 60 calendar days from the date of the request.

(b) *Contesting Reconsideration Decisions.* FMS purchasers may contest the DoD ICP/IM or GSA decision on a request for reconsideration. To do so, the purchaser must send a complaint by message or letter to reach the ILCO within 90 calendar days from the date of the ILCO reply to the request for reconsideration. The purchaser must explain why the DoD ICP/IM or GSA decision is not satisfactory. When the purchaser contests a DoD ICP/IM or GSA decision, the ILCO will add a suffix code "C" to the report number (item 2, SF 364). The suffix code will be used in all references to the complaint. The complaint and all supporting documentation will be forwarded by letter to the ILCO's Military Service/agency focal point (see paragraph VE). The letter will explain the problem and the purchaser's position, an ask for a final decision. The ILCO's focal point, in coordination with any other concerned Military Service/agency focal point, will review all the information relating to the problem, see that any needed action is taken, and send the ILCO the final decision within 60 days from the date of the correspondence from the ILCO. Copies of all information/documentation relating to the request shall be included with all correspondence exchanged between the parties involved.

(c) *Nonresponses to RODs.* After appropriate follow-ups and the ILCO has not received an ROD reply as prescribed under this regulation, it will forward a copy of the ROD and all supporting correspondence/information to their Service/agency focal point (or designated activity) for assistance (see paragraph VD and VE). When the action activity receives the correspondence from the focal point, it will send the disposition for the unresolved ROD to the ILCO, with the information copy to the focal point, within 60 calendar days from the date of the correspondence from the focal point. When the discrepancy involves another Service/agency, the ILCO will send the appropriate data to their focal point, who will coordinate with the focal point of the other Service/agency to attain a response. The action activity will provide a response, with information copy(s) to all concerned, within 60 calendar days from the date of the correspondence from the focal point.

(5) *Followups to Delinquent SFs 364.* Where a DoD ICP/IM or GSA is non-responsive to an SF 364 within the prescribed time-frame (see subparagraph D2a, above), the applicable ILCO will initiate followup by sending a copy of the original SF 364. Enter an asterisk, the word "FOLLOWUP," and the date the followup is being prepared on the top of the form above block 1. If there is any change to the point of contact information of the original SF 364, enter the new point of contact name and telephone number in block 12, preceded by an asterisk. When the action activity is not a DoD activity, include both the Defense Switched Network (DSN) and commercial (including area code) telephone numbers. (See subparagraph F4, above for unresolved reports.) Reporting activities should allow for the mailing time of the original report before following up to action activities. Instead of this method, ILCOs may take followup actions by issuance of a mechanical

report containing the data necessary for the action activity to identify the delinquent SF 364 and to respond accordingly.

(6) *Report Control Symbol*. The SF 364 is exempt from the assignment of a Report Control Symbol.

Items 1 through 15 are included as guidance for action activities as to how the SF 364 should be completed by the FMS purchaser. The instructions for items 16 through 24 are mandatory for all action activities completing SFs 364.

Item 1 Date of Preparation. Report is prepared in sequence of year, month, and day. This sequence should also be used in all date entries, i.e., items 5b and 24c. For example, March 23, 1992 is written 92 MAR 23 and June 1, 1992 is written 92 JUN 01.

Item 2 Report Number. The control number of the ROD consisting of one alpha character to identify the initiating office in-country, four numeric characters for number control, two alpha characters for the purchaser country and three alpha characters of the FMS case designator, i.e., A0010-JA-KBD. For any unnumbered RODs received, the ILCO will assign number X9000 to X9999 and so advise the FMS purchaser on the receipted copy. Suffix code "R" added to the reported number indicates the purchaser has asked for reconsideration of the ROD disposition. Suffix Code "C" added to the report number indicates that the purchaser has contested the U.S. Government's decision on a request for reconsideration (see paragraph VIF4).

Item 3 To. Appropriate ILCO as Follows:

ARMY Commander
 U.S. Army Security Affairs Command
 ATTN: AMSAC-O
 New Cumberland Army Depot
 New Cumberland, PA 17070-5000
NAVY Commanding Officer
 Navy International Logistics Control Office
 ATTN: Code 26
 Philadelphia, PA 19111-5010
Air Force Commander
 Air Force Logistics Command
 ATTN: ILC/AWPR
 Wright-Patterson AFB, OH 45433-5001

Item 4 From. Name and mailing address of the FMS purchaser (consignee). The "in-the-clear" address will be entered.

Item 5a Shipper's Name. Name and address of the shipper. When the shipper is a vendor/contractor, the name of the Government activity which directed shipment (consignor) of the item will be entered.

Item 5b Number and Date of Invoice. Number and date of vendor's invoice or shipper's bill number. Copy of invoice should be attached to SF 364.

Item 6 Transportation Document. The type of transportation document, Government Bill of Lading (GBL), Commercial Bill of Lading (CBL) manifest, waybill, insured/certified parcel post number, or transportation control and movement document (TCMD) and the identifying number assigned to such document. This is a mandatory entry when shipment received was made via traceable means, e.g., GBL or CBL. The following statement should be included in item 12—"Shortage has been verified as not being transportation related," when shortages are involved.

Item 7a Shipper's Number. The shipment number (when more than one shipment is made under a contract or requisition) and contract/document number (e.g., contract or purchase order). Only one document number will be included on each SF 364.

Item 7b Office Administering Contract. Name, address, and ZIP Code of the Contract Administration Office. (CAO activity which directed/arranged shipment.)

Item 8 Requisitioner's Number. Enter the requisitioning activity's number, e.g., requisition or purchase request, include suffix. The applicable document number should be entered even though a contract/ purchase order is involved.

Item 9a NSN/Part Number and Nomenclature. If item received is different than item shown on shipping document, or different from item ordered, each item should be shown on a separate line.

Item 9b Unit of Issue. Unit of issue as billed or indicated on shipping document for each item listed in item 9a.

Item 9c Quantity Shipped/Billed. Quantity of item shipped or billed. When code C1 is applicable, enter the quantity and the supply

Figure 1. GUIDANCE AND INSTRUCTIONS FOR PREPARATION OF SF 364—Continued

condition code (see DoD 4000.25-2-M, Military Standard Transaction and Accounting Procedures (MILSTRAP)) of the item when shipped, e.g., 980A as shown on shipping document.

Item 9d Quantity Received. Quantity of item received.

Item 10a Discrepancy Quantity. This discrepant quantity. If code C1 is applicable, the quantity and the supply condition code (see DoD 4000.25-2-M) of the item received should be entered. If total quantity received is classified under more than one condition code, each partial quantity so classified followed by the applicable condition code, e.g., 20F, should be entered separately. **NOTE:** Where product quality deficiencies are involved or when overaged material (expired shelf life) is received, and code Q1 or C2 is applicable, the following information should be entered under item 12, remarks:

1. Manufacturer's name.
2. Contract/purchase order number if not shown in item 7a.
3. Date of manufacture, pack, or expiration.
4. Lot/batch number
5. Location of material.
6. Name, address, and telephone number of contract
7. Nature of complaint stating in detail why material is unsatisfactory. When quality deficiencies are reported, remarks should include explicit description of unsatisfactory condition to include test or inspection criteria used to determine item serviceability.

Item 10b Discrepancy Unit Price. The unit price as billed or shown on shipping document.

Item 10c Discrepancy Total Cost. The total value of Material (10a × 10b).

Item 10d Discrepancy Code. Nature of the discrepancy using the discrepancy/deficiency codes listed on the face of the form. If a condition exists that is not listed, code Z1 should be entered and the discrepancy described in item 12, remarks.

Item 11 Action Code. The requested action from codes listed on the face of the form should be reflected. If action is other than that covered by listed action codes, code IZ should be used and action requested explained in item 12, remarks. Action codes 1D, 1E, or 1F will not be used on reports prepared to cover FMS shipments. Materiel still required must be requisitioned using a current FMS case.

Item 12 Remarks. Use for any supplemental information when the combination of discrepancy codes and action codes need clarification; when discrepancies need explanation; and when a breakout of cost to report, in terms of time and materials, is required. Specific data such as appearance, lot/batch number, manufacture/packaging date, inspector number and inspection date, and test or inspection criteria should be entered here. Include DSN and commercial telephone numbers of the persons to be contacted for additional information if different from that entered in item 14a, proceed by an asterisk for follow-ups. If medical materiel requiring refrigeration or frozen storage is involved, the information requested on the special instruction sheet which is included with shipments of such materials should be provided. Where it would assist the shipping activity in determining the cause of the discrepancy/deficiency, photos should also be provided.

Item 13 Funding and Accounting Data. Not applicable.

Item 14a Typed or Printed Name, Title, and Phone Number of Preparing Official. Self-explanatory.

Item 14b Signature. Self-explanatory

Item 15 Distribution Addresses for Copies. Not applicable.

Item 16 From. The address of the activity preparing the reply.

Item 17 Distribution Addresses for Copies. Not applicable.

Item 18 To. Enter address of the activity indicated in item 4 on face of the form. The DoD IM/ICP and GSA will route RODs to the appropriate ILCO.

Item 19 Enter advice of action taken by responsible action office by placing an X in appropriate box(es).

Item 20 Enter disposition instructions by placing an X in appropriate box(es) and provide information/ documents as required by paragraph VIF2.

Item 21 Enter an X to indicate to the reporting activity that a new requisition is required if the materiel is still needed.

Item 22 Enter an X to indicate a replacement shipment will be made and the approximate date of the shipment.

Item 23 Remarks. Enter any clarification or information necessary for a complete reply.

Item 24a Typed or printed Name and Phone Number of Preparing Official. Self-explanatory. When item 18 is a non-DoD activity, include both commercial and DSN numbers.

Item 24b Signature. Self-explanatory. The original and one copy of the SF 364 will bear the original signature of the individual responsible for preparation of the reply.

Item 24c Date. Self-explanatory.

Figure 1. GUIDANCE AND INSTRUCTIONS FOR PREPARATION OF SF 364

Unclassified

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USAPA

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DOCUMENT: AR 12-12

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